

UNITED STATES OF AMERICANUCLEAR REGULATORY COMMISSION

In the Matter of)	
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DUKE ENERGY CAROLINAS, LLC)	
NORTH CAROLINA ELECTRIC)	
MEMBERSHIP CORPORATION)	
SALUDA RIVER ELECTRIC)	
COOPERATIVE, INC.)	
)	
(Catawba Nuclear Station, Unit 1))	Docket No. 50-413
)	Renewed License No. NPF-35

ORDER APPROVING DIRECT TRANSFER OF LICENSE AND APPROVING
CONFORMING AMENDMENT

I.

Duke Energy Carolinas, LLC (the licensee), the North Carolina Electric Membership Corporation (NCEMC/the licensee), and the Saluda River Electric Cooperative, Inc. (SREC), are the owners of Catawba Nuclear Station, Unit 1 (Catawba 1). With respect to their ownerships, they are coholders of Renewed Facility Operating License No. NPF-35. Catawba 1 is located in York County, South Carolina.

II.

By application dated December 20, 2007, as supplemented by letter dated May 29, 2008, Duke Energy Carolinas, LLC, requested on behalf of itself, NCEMC and SREC, pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Section 50.80 (10 CFR 50.80), that the Nuclear Regulatory Commission (NRC) consent to certain license transfers to permit the direct transfer of the 18.75 percent undivided ownership interest of SREC in Catawba 1, to the Duke Energy Carolinas, LLC, a current owner and operator, and NCEMC, a current owner. According to the application for approval filed by the licensees, following approval, Duke Energy Carolinas,

LLC will purchase 71.96 percent of the SREC's interest in Catawba 1 (*i.e.*, 13.49 percent of SREC's undivided ownership interest) and NCEMC will purchase 28.04 percent of SREC's interest in Catawba 1 (*i.e.*, 5.26 percent of SREC's undivided ownership interest). Duke Energy Carolinas, LLC will remain responsible for the operation and maintenance of Catawba 1.

Approval of the direct transfer of the facility operating license was requested by Duke pursuant to 10 CFR 50.80. A notice entitled, "Notice of Consideration of Approval of the Proposed Transfer of the Catawba Nuclear Station, Unit 1, Renewed Facility Operating License No. NPF-35 and Conforming Agreement, and Opportunity for a Hearing Regarding Transfer of the Saluda River Electric Cooperative, Inc.'s Undivided Ownership Interest in Catawba Nuclear Station, Unit 1, to Duke Energy Carolinas, LLC, a Current Owner and Operator, and North Carolina Electric Membership Corporation, a Current Owner," was published in the *Federal Register* on July 21, 2008 (73 FR 42375). No comments or hearing requests were received.

Under 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the U.S. Nuclear Regulatory Commission (NRC) shall give its consent in writing. Upon review of the information in the licensees' application, and other information before the Commission, the NRC staff has determined that Duke Energy Carolinas, LLC, and NCEMC are qualified to hold the license to the extent proposed to permit the transfer of SREC's 18.75 percent undivided ownership interest in Catawba 1 to Duke Energy Carolinas, LLC, (13.49 percent) and NCEMC (5.26 percent), and that the transfers of the license are otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in

10 CFR Chapter I; the facilities will operate in conformity with the application, the provisions of the Act and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendment will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendment will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. The findings set forth above are supported by a safety evaluation dated September 25, 2008.

III.

Accordingly, pursuant to Sections 161b, 161i, 161.o, and 184 of the Atomic Energy Act of 1954, as amended (the Act), 42 USC §§ 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the proposed direct license transfer is approved, subject to the following conditions:

1. At the time of closing of the license transfer, SREC shall transfer to Duke Energy Carolinas, LLC's Master Decommissioning Trust, the proportional amount of SREC's decommissioning funds corresponding to the proportionate ownership interest being transferred (approximately 13.49 percent of SREC's 18.75 percent interest in Catawba 1).
2. At the time of closing of the license transfer, SREC shall transfer to the NCEMC decommissioning fund, the proportional amount of SREC's decommissioning fund corresponding to the proportionate ownership interest being transferred (approximately 5.26 percent of SREC's 18.75 percent interest in Catawba 1).

IT IS FURTHER ORDERED that consistent with 10 CFR 2.1315(b), the license amendment that makes a change, as indicated in Enclosure 3 to the cover letter forwarding this Order, to reflect the subject direct transfer, is approved. The amendment shall be issued and made effective at the time the proposed direct transfer action is completed.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed direct transfer action, Duke shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt no later than 2 business days prior to the date of the closing of the direct transfer. Should the proposed direct transfer not be completed by September 30, 2009, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated December 20, 2007 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML073580264), as supplemented by letter dated May 29, 2008 (ADAMS Accession No. ML081540469), 2008, and the Safety Evaluation dated September 25, 2008, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland, and accessible electronically from the ADAMS public electronic reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the

documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 25th day of September 2008.

FOR THE NUCLEAR REGULATORY COMMISSION

/ra/

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation